

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS OTTAWA 002983

SIPDIS

SENSITIVE

STATE FOR S/GAC: PEARSON; HHS FOR OGHA:STEIGER;
STATE PASS AID FOR GH: MILLER

E.O. 12958: N/A

TAGS: [KHIV](#) [PREL](#) [TBIO](#) [CIDA](#)

SUBJECT: U.S. GOALS FOR GLOBAL FUND BOARD MEETING IN
ARUSHA, TANZANIA: CANADA

REF: SECSTATE 232461

1. (SBU) SUMMARY AND ACTION REQUEST: Canadian aid officials take a more sanguine view than the US both of future funding prospects for the Global Fund and of performance of grants awarded so far, possibly because they rely for information on the Global Fund secretariat. They would welcome more details of U.S. analysis of the problems we see in this area. Action request: please provide further details on U.S. views regarding specific grants and our overall analysis; we believe more detail might change Canadian views on the issue. On the Board review procedure, Canadian have promised us an answer next week.

2. (U) Post Delivered reftel demarche and paper to Dr. Ernest Loevinsohn, CIDA Director General for Program against Hunger, Malnutrition and Disease, (Canada, Germany, Switzerland, UK rep) and followed up with Canadian Senior Coordinator Suzie Djakcasu.

3. (SBU) Responding to our arguments against proceeding with Round Five at this point, Djakcasu said that Canada is less concerned about the availability of funds than we are. CIDA's analysis is that actual donations have outpaced pledges to date and that, extrapolating from experience, it is reasonable to expect that sufficient funds will be available for both Round 5 and renewal of existing grants. She commented that she understood why we might want to take a more conservative approach and want the funds actually in hand, but CIDA sees the planned replenishment mechanism, the first conference on which will take place next year, as evidence that we are moving toward a more predictable funding environment. Djakcasu argued further that the Fund already makes commitments that are not fully funded, i.e. five-year grants for which only three are granted up front; in essence, the Fund is already effectively banking on the future. She also observed that there is always substantial time between the calling of a new Round and the actual awarding of the grants in which Board members and the secretariat can get a clearer picture of the financing situation. She promised to see if she could share CIDA's internal analytical papers with us.

4. (SBU) Performance and accountability: Djakcasu questioned our view that many grants are in trouble, and asked for more information on the precise proportion, or indeed which specific loans, we feel are in trouble and/or are inadequately reported and documented. She noted that CIDA has relied for its evaluation of how grants are doing on the performance review of the first 25 grants discussed at the Partnerships Forum. CIDA's assessment from that meeting was that 8 were doing well, 12 were adequately documented, and that 5 were underperforming. CIDA does not necessarily believe all is well, however. The GoC has received scattered reports of trouble through its own missions, and would welcome more detailed information on where we think the problems are. ACTION REQUEST: Any further analysis that we can share with the Canadians would be helpful.

5. (U) With regard to the U.S. points on the proposed procedure for Board review of grants, CIDA will give us a response after a planned conference call early next week with the other constituency countries.

Visit Canada's Classified Web Site at
<http://www.state.sgov.gov/p/wha/ottawa>

CELLUCCI